

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE: 2/19/15 CONTROL ITEM NO: 2

NO:

SUBJECT: RESOLUTION NO. OB 15-35

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2015 THROUGH DECEMBER 31,

2015, AND TAKING CERTAIN RELATED ACTIONS

FROM: Successor Agency to the Artesia Redevelopment Agency

PRESENTATION BY: Justine Menzel, Deputy Executive Director

RECOMMENDATION

Approval of ROPS for July 1, 2015 through December 31, 2015.

BACKGROUND

Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period (commencing each January 1 and July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

Deadlines for ROPS Submission and Review

The Redevelopment Dissolution Law does not specify a deadline for the Successor Agency to submit the ROPS for July 1, 2015 through December 31, 2015 ("ROPS 15-16A") to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS 15-16A to the DOF, the Office of the State Controller and the County Auditor-Controller no later than **March 3rd, 2015**. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS 15-16A may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board.

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS by March 3, 2015, the City of Artesia will be subject to a civil penalty of \$10,000 per day for every day that the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the successor agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of March 3rd, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations," the DOF may determine whether the County Auditor-Controller should distribute any of property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS. It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations".

FISCAL IMPACT

The preparation and submittal of ROPS 15-16A is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2015 to December 31, 2015.

BOARD ACTION

Staff recommends that the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency adopt Resolution No. OB 15-35, approving the Recognized Obligation Payment Schedule for the six-month fiscal period from July 1, 2015 through December 31, 2015 and taking certain related actions.

ATTACHMENT

Resolution No. OB 15-35

Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary Filed for the July 1, 2015 through December 31, 2015 Period

Name	of Successor Agency:	Artesia		· · · · · · · · · · · · · · · · · · ·
Name	of County:	Los Angeles		
Curre	nt Period Requested Fu	inding for Outstanding Debt or Oblig	ation	Six-Month Total
A	Enforceable Obligation Sources (B+C+D):	ons Funded with Non-Redevelopmen	t Property Tax Trust Fund (RPTTF) Funding	\$
В	Bond Proceeds Fu	unding (ROPS Detail)		
С	Reserve Balance	Funding (ROPS Detail)		
D	Other Funding (RO	OPS Detail)		
E	Enforceable Obligation	ons Funded with RPTTF Funding (F+	G):	\$ 703,391
F	Non-Administrative	e Costs (ROPS Detail)		528,391
G	Administrative Cos	sts (ROPS Detail)		175,000
Н	Current Period Enfor	ceable Obligations (A+E):		\$ 703,391
Succe	essor Agency Self-Repo	rted Prior Period Adjustment to Curr	ent Period RPTTF Requested Funding	
1	Enforceable Obligation	ns funded with RPTTF (E):		703,391
J	Less Prior Period Adju	stment (Report of Prior Period Adjustme	ents Column S)	(12,419)
K	Adjusted Current Per	iod RPTTF Requested Funding (I-J)		\$ 690,972
Count	y Auditor Controller Re	ported Prior Period Adjustment to Cu	urrent Period RPTTF Requested Funding	
L	Enforceable Obligation	s funded with RPTTF (E):		703,391
М	Less Prior Period Adju	stment (Report of Prior Period Adjustme	ents Column AA)	en di di di
N	Adjusted Current Per	iod RPTTF Requested Funding (L-M)		703,391
Cortific	cation of Oversight Board	Chairman		
Pursua	ant to Section 34177 (m)	of the Health and Safety code, I		- -
		a true and accurate Recognized or the above named agency.	Name	Title
- 211gu	aymon donoddio i	o. als abore hamod agency.	/s/	
			Signature	Date

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail July 1, 2015 through December 31, 2015 (Report Amounts in Whole Dallars)

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A	В	c	а	E	F	G	н	ı	J	ĸ	L	M	N	0	P
										Funding Source					
										Non-Redev	elopment Property T (Non-RPTTF)	ax Trust Fund	RP		
item#	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
1	2007 Tax Allocation Bond	Revenue Bonds	12/5/2007	12/31/2042	Welfs Fargo Bank, N.A.	Nigr bossing bond dold contact	0-4-10	\$ 47,111,384		\$*****	\$	<u>\$</u>	\$ 528,391	\$ 175,000	\$ 703,391
	2009 Tax Allocation Bond	Revenue Bonds	6/18/2009	6/18/2046	Wells Fargo Bank, N.A.	Non-housing bond debt service Housing bond debt service payments	Central Commercial Central Commercial	22,981,043 8,787,390	N				323,463 127,628		\$ 323,46 \$ 127,62
		Issued On or Before 12/31/10					Corridor Project						,		
	Tax allocation bonds	Fees	1/1/2008		Urban Futures, Inc.	Continuing disclosure fees	Central Commercial Corridor Project	114,700					-		.\$
	Tax affocation bonds	Fees	1/1/2008	6/18/2046	Willdan Finencial Services	Arbitrage rebate calculation	Central Commercial Corridor Project	16,000	N						-,\$
1111111	Cooperative Agreement	Admin Costs	2/1/2012	2/1/2046	City of Artesia	Administration and operations of Successor Agency	Central Commercial Corridor Project	-	N			_			.\$
	Salaries	Project Management Costs			Employees of City/Agency	Payroll for downtown revitalization project implementation	Central Commercial Corridor Project	-	Y						\$
	Salaries/benefits	Admin Costs	1/1/2014	6/30/2046	Employees of City/Agency	Payroll for administration/operations of Agency	Central Commercial Corridor Project	6,500,000	Y						\$
	Rent	Admin Costs	1/1/2014	6/30/2014	City of Arlesia	Overhead, utilities, supplies, insurance, stc.	Central Commercial Corridor Project	165,000	Y						\$
10	Legal services	Legal	1/1/2014	6/30/2014	Richards, Watson, Gershon	Legal fees for agency	Central Commercial Corridor Project	40,000	Y						.\$ -::::::::::::::::::::::::::::::::::::
	Contract services	Project Management Costs		6/30/2014	Kelly Associates Mgmt Grp	Professional project and housing services	Central Commercial Corridor Project	-	. Ý			•			\$
12	Lobbylat	Admin Costs	1/1/2014	8/30/2014	Cline & Duplisses	Lobbyist services	Central Commercial Corridor Project	1,500	Ÿ						\$
13	Business resource	Admin Costs	1/1/2014		Artesia Chamber of Commerce	Business resource assistance	Central Commercial Comidor Project	1,500	Ÿ .						-\$
14	Accounting services	Admin Costs	1/1/2014	6/30/2014	Deb's Bookkeeptus	Specialized accounting, oversight, and reporting services	Central Commercial Corridor Project	1,500	Υ			-			\$ 4, 4, 4, 4
15	Auditore	Admin Costs	1/1/2014	6/30/2014	White Nelson Olehi Evans	CPAs for financial audit of agency	Central Commercial Comdor Project	4,251	Ÿ						\$
		Fees	12/5/2007	6/18/2046	Wella Fergo Bank, N.A.	Trustee services	Central Commercial Corridor Project	147,200	N				2,300		\$ 2,30
17	Downlown District-Pioneer Blvd. Revitalization	improvement/infrastr ucture	5/13/2013	12/31/2042	City of Artesia	Complete bond funded redevelopment	Central Commercial Corridor Project		N						\$
11-1012	Oversight Board	Miscellaneous	9/29/2012	9/29/2013	CJPIÁ	Special liability Insurance Program	Central Commercial Corridor Project	1,300	Ý						.5
19	Historic District	improvement/infrastr ucture	12/1/2013	12/31/2042	City of Artesia	Complete bond funded redevelopment project	Central Commercial Corridor Project	,	<u> </u>		-				.5
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21	Administration and Overhead	Admin Costs	7/1/2015	6/30/2046	City of Artesia	Administration and operations of	Central Commercial	7,750,000	Ν	COLUMN STA				175,000	\$ 175,00
. 22			-			Successor Agency	Corridor Project								
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Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances

	Recognized	Obligation Pa		l e (ROPS 15-1 ts in Whole Dollar		Cash Balan	ces	
wh	rsuant to Health and Safety Code section 34177 (I), Redevelopment Pr en payment from property tax revenues is required by an enforceable pdf/Cash_Balance_Agency_Tips_Sheet.pdf.	operty Tax Trust e obligation. For	Fund (RPTTF) ma	y be listed as a somplete the Rep	ource of paymen	nt on the ROPS ces Form, see	, but only to the https://rad.dof.	extent no other funding source is available or ca.gov/rad-
A	В	С	D	E	F	G	Н	1
				Fund Sc	ources			
		Bond P	roceeds	Reserve	Balance	Other	RPTTF	
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments
RO	PS 14-15A Actuals (07/01/14 - 12/31/14)			-				
	Beginning Available Cash Balance (Actual 07/01/14)	2,603,800		395,996			_	
2	Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014	2		550,000			648,491	
3	Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF armounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	183,881					636,072	
4	Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	2,419,921		395,996			999,912	
5	ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S			No entry required			12,419	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$	s -	s <u>-</u>		\$ -		
RO	PS 14-15B Estimate (01/01/15 - 06/30/15)							
7	Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 2,419,921		\$ 395,996			\$ 12,419	
8	Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015	-		<u> </u>		:: - :	641,946	
9	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)	_		102,133	-		744,079	DDR balance applied to shortfall of 14-15B
10	Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	2,419,921		293,863	_		711,010	Bond reserve balances required by indenture. DDR balance retained for shortfall of 15-16B and subsequent ROPS periods.
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)						É (90.714)	<u> </u>

Recognized Obligation Payment Schedule (ROPS 16-16A) - Report of Prior Period Adjustments
Reported for the ROPS 14-15A (July 1, 2014 through December 31, 2014) Period Pursusnt to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts In Whole Dollars)

ROPS 14-15A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual expenditures for the ROPS 14-15A (July through December 2014) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-15A (July through December 2015) period will be affect by the SA's self-reported ROPS 14-15A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county audition-controller (CAC) and the State Combolier.

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				Non-RPTTI	Expenditure	5						RPTTF Expen	ditures					
		. Bond I	Proceeds	Reserve	Balance	Offse	el Funds			Non-Admin			-	Admin _			Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 18-18A Requested RPTTF)	
item#	Project Name / Debt Obligation	Authorized	Actual	Authorized	Achial	Authorized	Actual	Authorized	Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Leaser of Authorized / Available	Difference (if K is less than the difference is Actual zero)		Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)		Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)	SA Comments
111 11	F F F F F F F F F F F F F F F F F F F	\$ 250,000	\$ 163,891	\$	5	S	\$:::-	\$ 459,785			\$ 458,785 \$ 3,00		8 166,706	\$ 188,708	\$ 179,287	\$ 9,419	\$ 12,419	
1	2007 Test Allocation 2009 Test Allocation					<u> </u>		328,195			328,195 \$						\$	
	Ten allocation bonds			1 - 3				128,590	128,590	3 128,590 3	128,590 \$		+		ļ .	├	1	
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15	Auditora	-		-		-		l	 	\$	S				 	 		
18	Tax Allocation bond	-		-			<u> </u>	3,000	3,000	\$: : 3,000	- 5 3,00				 	 	\$ 3,000	
<u>—</u> .	reserve trustee							ļ							1	1	3,000	
17	Downlown District- Plenser Blvd.	200,000	183,681	· -	l	-				\$	\$::	-					\$	-
	Revitalization	1		l	l													
	Overeight Beard	-		-		-	·			\$			 	- -	 	 	•	
19	Historic District	_					<u> </u>			3	\$		1		1	 	\$	
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	Recognized Obligation Payment Schedule (ROPS 15-16A) - Notes July 1, 2015 through December 30, 2015						
Item # 7-15, 18, & 21	Notes/Comments All or a portion of items 7-15, 18, & 21 shall be repaid to City pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.						
21	All of the administrative costs previously listed under items 7-15 and 18 have been retired and categorized under one project name "Administrative and overhead" for July 1, 2015 forward.						

RESOLUTION NO. OB 15-35

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2015 THROUGH DECEMBER 31, 2015, AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

- A. Pursuant to Health and Safety Code Section 34177(I), the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the Oversight Board for the Successor Agency (the "Oversight Board") for approval.
- B. Pursuant to Health and Safety Code Section 34177(I)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the sixmonth fiscal period from July 1, 2015 through December 31, 2015 ("ROPS 15-16A"), to the State Department of Finance (the "DOF"), the Office of the State Controller, and the County Auditor-Controller no later than March 3, 2015; and (2) post a copy of the Oversight Board-approved ROPS 15-16A on the Successor Agency's website.
- NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:
- <u>Section 1.</u> The above recitals are true and correct and are a substantive part of this Resolution.
- <u>Section 2.</u> The Oversight Board hereby approves proposed ROPS 15-16A, substantially in the form attached hereto as <u>Exhibit A</u>. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS 15-16A to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS 15-16A on the Successor Agency's Internet website (being a page on the Internet website of the City of Artesia).
- <u>Section 3.</u> The members of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this 19th day of February, 2015.

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
ATTEST:	William A. Holt, CHAIR
Gloria Considine, SECRETARY	SUCCESSOR AGENCY TO THE

ARTESIA REDEVELOPMENT AGENCY

EXHIBIT A

SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY RECOGNIZED OBLIGATION PAYMENT SCHEDULE (July 1, 2015 through December 31, 2015)